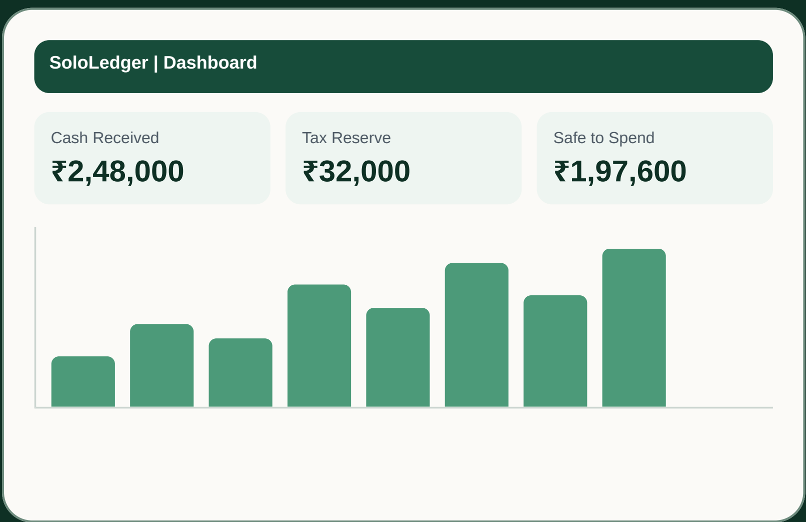
SoloLedger

FREELANCE FINANCE. SIMPLIFIED.

A practical visual guide to freelance income, invoices, TDS, expenses, tax, advance tax, GST and smarter money planning.

INDIA | TAX YEAR 2026-27



INVOICES
Cash + TDS + GST separated clearly

TAX ESTIMATE
2026-27 slab helper + reserve planning

ADVANCE TAX
Simple due-date timeline

Track
Know what was invoiced and paid.

Separate
Keep TDS, GST and income clear.

Estimate
Plan tax before deadlines arrive.

Spend Smarter
Use Safe to Spend, not bank balance.

Contents

Use this guide together with the SoloLedger workbook. Every section explains the idea first, then shows how it connects to the spreadsheet.

Best first read: Pages 3-11 give you the full money map. After that, jump to whichever topic you need.

Workbook-first

When you see an **In SoloLedger** box, open the matching tab and follow along.

Beginner-first

This guide uses plain language and examples. It is not a substitute for personalised tax advice.

Track — Invoices & expenses → **Estimate** — Tax, TDS & GST → **Reserve** — Keep obligations aside → **Spend** — Use Safe to Spend

Welcome to SoloLedger

Freelance money can look simple from the outside: finish work, send invoice, get paid. In reality, one client payment can contain several different things - your professional fee, GST collected, TDS already withheld, and money that still has to cover expenses or future tax.

This guide is designed to make those moving parts easier to understand. You do not need accounting knowledge. You only need to understand a few repeatable ideas and keep your records updated.

The goal: know what came in, what is yours, what is already tax credit, what must be reserved, and what is genuinely safe to spend.

Better records create better decisions. Better decisions create calmer tax seasons.

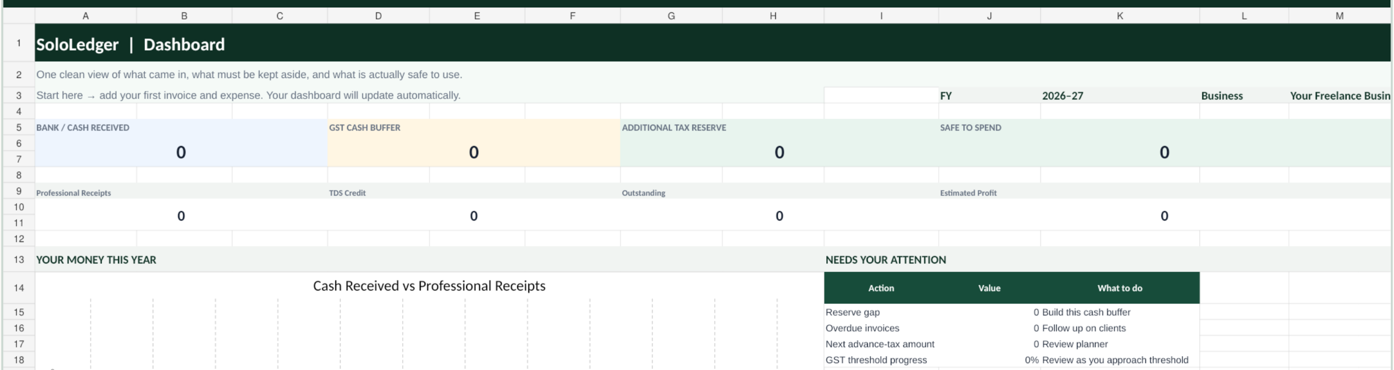
Who this guide is for

F **Freelancers**
Designers, developers, marketers, writers and creators.

C **Consultants & coaches**
Independent professionals billing clients directly.

S **Solo service businesses**
People who want a simple money-and-tax planning system.

REAL SOLOLEDGER WORKBOOK



Real SoloLedger Dashboard - the numbers you will learn to read

Record
Money movement

→

Separate
Tax obligations

→

Review
Safe to Spend

REMEMBER

The goal is clarity: know what happened, what is owed, and what is safe to use.

IN SOLOLEDGER

Dashboard / Start Here
Learn the money map first, then use the Dashboard as your weekly decision screen.

How to Use This Guide

1
Learn the concept
One idea at a time, in plain language.

→

2
See a real example
Use rupee amounts, invoices and timelines.

→

3
Open SoloLedger
Record the same thing in the matching tab.

Best order for first-time users

- [ ] Open **Demo - Examples**.
- [ ] Complete **Settings**.
- [ ] Review **Tax Estimate Helper**.
- [ ] Add real invoices and expenses.
- [ ] Review the Dashboard weekly.

Keep the workbook simple

Do not try to predict every tax detail inside the spreadsheet. SoloLedger is strongest when it helps you keep clean records, estimate obligations, and know what questions to ask your CA when your situation becomes more complex.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

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Tax Year 2026-27

For income earned from 1 April 2026 onwards, the Income Tax Act, 2025 uses the term **Tax Year** instead of the old previous-year / assessment-year pairing.

1 APR	JUN	SEP	DEC	31 MAR
Tax year begins	**First advance-tax milestone**	**Second milestone**	**Third milestone**	**Tax year ends**
1 April 2026	15 June	15 September	15 December	31 March 2027

What changed?

The new Act applies to Tax Year 2026-27 and onwards. The Income Tax Department says there is no concept of Assessment Year under the new Act.

What did not change?

Your business still tracks money across the familiar 1 April to 31 March financial-year cycle.

SoloLedger setup: FY Start Year = 2026 means the workbook tracks 1 April 2026 through 31 March 2027.

Official reference: Income Tax Department - General Questions FAQs and Objective & Scope of the Income Tax Act, 2025.

Record Money movement → **Separate** Tax obligations → **Review** Safe to Spend

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Your Freelancer Money Map

The easiest way to understand freelance finance is to follow money from the client to your final spendable balance.

W
Client work
You deliver a service.

→

INV
Invoice
Base fee + GST if applicable.

→

₹
Payment
Cash hits bank; TDS may be withheld.

Separate the payment
Professional receipts | TDS credit | GST collected

→

Log business costs
Expenses reduce your available business money.

→

Estimate obligations
Tax reserve + GST buffer + advance tax.

→

Safe to Spend
The money left after the important buffers.

In SoloLedger: Income & Invoices → Expenses → Tax Estimate Helper → Tax Reserve → Dashboard.

Your bank shows what is there. SoloLedger tries to show what is actually available.

Record
Money movement

→

Separate
Tax obligations

→

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The 6 Numbers That Matter

If you can read these six figures, you can understand most of your SoloLedger dashboard.

Bank / Cash Received
Money that actually reached your bank or wallet.

Professional Receipts
The fee portion credited to your business, excluding GST.

Cash Expenses
Actual money spent on costs you have logged.

TDS Credit
Tax already withheld on your behalf; not spendable cash.

Additional Tax Reserve
Extra tax cash you still need to build after TDS.

Safe to Spend
Cash left after expenses, GST buffer and additional tax reserve.

> **Do not confuse:** Professional Receipts and Bank / Cash Received can be different when GST is charged or TDS is withheld.

Cash Received - Expenses - GST Buffer - Tax Reserve = Safe to Spend

Record — Money movement → **Separate** — Tax obligations → **Review** — Safe to Spend

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Why Your Bank Balance Can Lie

Your bank app only knows one thing: how much cash is in the account right now. It does not know which part of that cash is GST you may need to pay, whether you still need to build a tax reserve, or whether an upcoming business bill has not hit yet.

That is why a large bank balance can create false confidence. The more useful question is not *"How much money do I have?"* but *"How much of this money is safe for me to use?"*

Common trap: receiving a large client payment, seeing a healthy balance, and spending before separating future obligations.

EXAMPLE

₹1,08,000

Cash reaches the bank.

Less GST buffer: **₹18,000**
Less expenses: **₹12,000**
Less tax reserve: **₹20,000**

₹58,000

Safe to Spend

₹1,08,000 - ₹18,000 - ₹12,000 - ₹20,000 = ₹58,000

Record
Money movement

→

Separate
Tax obligations

→

Review
Safe to Spend

REMEMBER

A bank balance is a cash snapshot, not a spending permission slip.

IN SOLOLEDGER

Dashboard / Start Here

Learn the money map first, then use the Dashboard as your weekly decision screen.

₹1,18,000 Is Not ₹1,18,000 of Income

A single invoice can contain your professional fee, GST and TDS mechanics at the same time.

Base professional fee	GST at 18%	Invoice total	TDS withheld	Bank cash
₹1,00,000	**₹18,000**	**₹1,18,000**	**₹10,000**	**₹1,08,000**
Your service value	Added to invoice	Amount billed	Tax credit	What lands in account

Professional receipt

₹1,00,000

This example treats your fee portion as the professional receipt.

Important

TDS is not an extra charge taken from your business forever. It is tax withheld on your behalf and should be tracked as a credit.

In SoloLedger: enter ₹1,08,000 under Bank / Cash Received and ₹10,000 under TDS Credit. The sheet keeps them separate.

Record
Money movement

→

Separate
Tax obligations

→

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Common Freelancer Money Mistakes

Most money problems do not start with complicated tax law. They start with simple habits repeated for months.

Spending GST like profit

Collected GST may need to be reserved rather than treated as business income.

Ignoring TDS

If you track only bank cash, you lose visibility over tax already withheld.

Using bank balance as truth

The bank does not subtract tax reserve or unpaid future costs.

Mixing personal and business spending

It becomes much harder to understand real business performance.

Logging expenses at year-end

You forget receipts, context and small recurring costs.

Guessing tax once a year

Regular estimates make large surprises less likely.

Better routine: record invoices when raised, update payments when received, log expenses weekly, and review tax / GST planning monthly.

Record — Money movement → **Separate** — Tax obligations → **Review** — Safe to Spend

REMEMBER

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Meet Arjun: Our Running Example

Arjun Mehta - freelance brand & web designer

Arjun works with Indian startups and small companies. He invoices project fees, sometimes charges GST, has clients who deduct TDS, and pays for design software, ads and professional services.

₹18L	5	18%	₹
illustrative annual professional receipts	regular clients	GST on selected invoices	TDS on some client payments

Why use one recurring example?

Tax concepts become much easier when you see the same freelancer move through invoices, part-payments, expenses, TDS, tax estimates and advance tax. The numbers in this guide are teaching examples - not personalised advice.

Arjun's rule

> **“I do not spend from my bank balance. I spend from my Safe to Spend number.”**

Record — Money movement → **Separate** — Tax obligations → **Review** — Safe to Spend

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IN SOLOLEDGER

Dashboard / Start Here

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What an Invoice Actually Records

An invoice is more than a payment request. It is a record of what you sold, how much you charged, and when the client was expected to pay.

INVOICE - INV-026

From
Arjun Design Studio

Service
Brand identity project

Client
ABC Pvt Ltd

Due date
25 April 2026

Invoice date
10 April 2026

Payment terms
15 days

Description	Amount
Professional fee	₹1,00,000
GST @ 18%	₹18,000
Total invoice	**₹1,18,000**

Minimum habit: give every invoice a unique invoice number and record the due date. That is what lets SoloLedger identify pending and overdue money.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Raise invoice
Fee + GST

→

Record settlement
Cash + TDS

→

Watch status
Paid / overdue

IN SOLOLEDGER

Income & Invoices
Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Base Fee vs Invoice Total

BASE FEE

₹1,00,000

This is the price of the professional service in our example.

INVOICE TOTAL

₹1,18,000

This includes ₹18,000 GST added to the fee.

Base Fee + GST = Invoice Total

For planning, it is useful to keep the base professional fee separate from taxes collected on top. Otherwise, revenue can look bigger than the value you actually earned from the service.

In SoloLedger: Base Fee and GST % are input fields. GST Amount and Invoice Total calculate automatically.

KEY TAKEAWAY

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Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Quick number check

₹1,00,000 base fee + ₹18,000 GST = ₹1,18,000 invoice total.

Raise invoice
Fee + GST

→

Record settlement
Cash + TDS

→

Watch status
Paid / overdue

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Worked Invoice: From Fee to Final Payment

Base fee	GST 18%	Invoice total	TDS	Bank cash
₹80,000	₹14,400	₹94,400	₹8,000	₹86,400

Step	What happens	Amount
1	You bill the professional fee.	₹80,000
2	GST is added to the invoice.	+ ₹14,400
3	Client withholds illustrative TDS.	- ₹8,000
4	Remaining invoice cash reaches bank.	**₹86,400**

Teaching example only: actual TDS applicability, rate and GST treatment depend on the transaction and current law.

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Cash + TDS

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IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

When the Client Deducts TDS

TDS can make a perfectly paid invoice look “short” if you only compare the invoice total with the bank deposit.

Invoice
₹1,18,000

→

Client withholds TDS
₹10,000 tax credit

→

Bank receives
₹1,08,000 cash

Wrong interpretation

“The client only paid ₹1,08,000, so ₹10,000 is still outstanding.”

Better interpretation

“The client settled ₹1,08,000 in cash and ₹10,000 through tax withholding on my behalf.”

SoloLedger status logic: Bank / Cash Received + TDS Credit are compared with the invoice total so a properly settled invoice can show Paid.

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Settlement check

₹1,08,000 bank cash + ₹10,000 TDS credit = ₹1,18,000 invoice settled.

Raise invoice
Fee + GST

→

Record settlement
Cash + TDS

→

Watch status
Paid / overdue

IN SOLOLEDGER

Income & Invoices
Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Separate One Payment Into Four Buckets

1. Bank / Cash Received
The amount that actually lands in your account or wallet.

₹1,08,000

2. Professional Receipts
The credited fee portion used for business-income tracking.

₹1,00,000

3. GST Collected
The estimated GST portion credited with the payment.

₹18,000

4. TDS Credit
Tax withheld on your behalf, not cash in the bank.

₹10,000

Why this matters: once these are separated, your dashboard can stop treating every credited rupee as spendable income.

KEY TAKEAWAY

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IN SOLOLEDGER

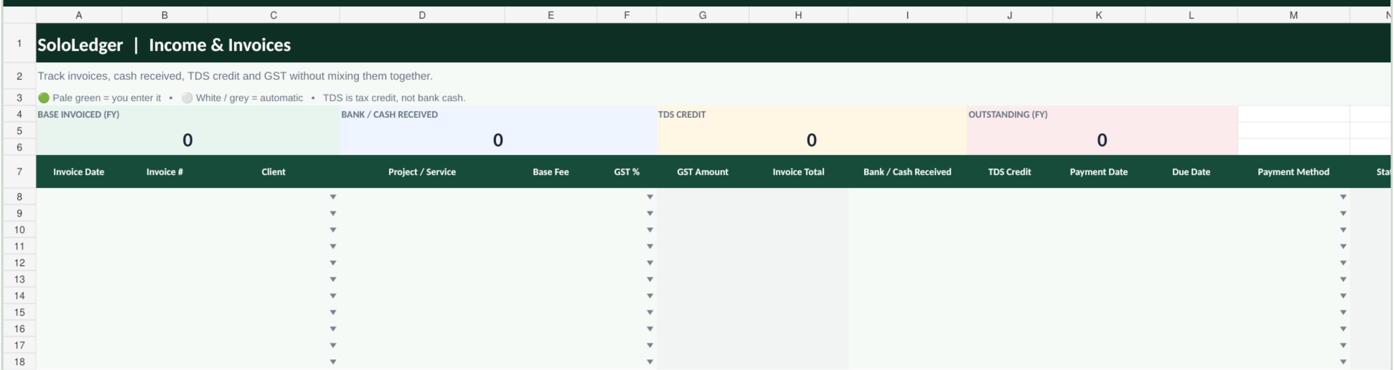
Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Record It in SoloLedger

The Income & Invoices sheet is where the money story begins.

REAL SOLOLEDGER WORKBOOK



SoloLedger | Income & Invoices

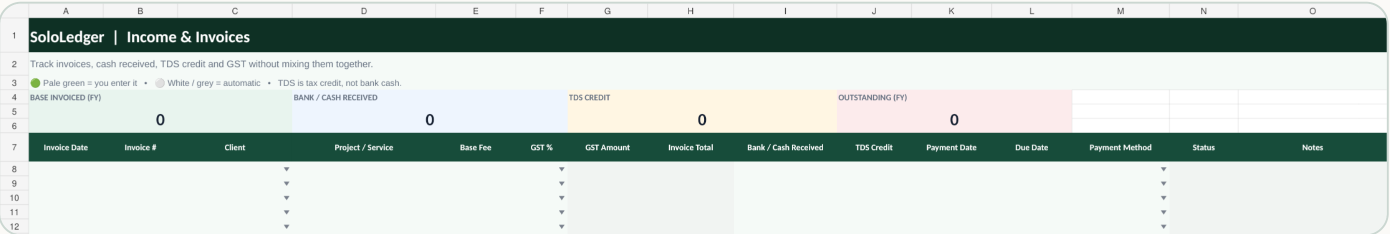
Track invoices, cash received, TDS credit and GST without mixing them together.

Pale green = you enter it • White / grey = automatic • TDS is tax credit, not bank cash.

BASE INVOICED (FY)	BANK / CASH RECEIVED	TDS CREDIT	OUTSTANDING (FY)
0	0	0	0

Invoice Date	Invoice #	Client	Project / Service	Base Fee	GST %	GST Amount	Invoice Total	Bank / Cash Received	TDS Credit	Payment Date	Due Date	Payment Method	Sta

Income & Invoices - where client payments, TDS and GST are recorded



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Track invoices, cash received, TDS credit and GST without mixing them together.

Pale green = you enter it • White / grey = automatic • TDS is tax credit, not bank cash.

BASE INVOICED (FY)	BANK / CASH RECEIVED	TDS CREDIT	OUTSTANDING (FY)
0	0	0	0

Invoice Date	Invoice #	Client	Project / Service	Base Fee	GST %	GST Amount	Invoice Total	Bank / Cash Received	TDS Credit	Payment Date	Due Date	Payment Method	Status	Notes

Actual SoloLedger Income & Invoices view. The customer copy is delivered clean; formulas remain ready underneath.

You enter

Invoice date, client, service, base fee, GST %, cash received, TDS credit, dates and payment method.

SoloLedger calculates

GST amount, invoice total, status, proportional credited receipts, estimated GST collected and outstanding balance.

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Watch status
Paid / overdue

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

What Is a Part Payment?

Sometimes a client pays only part of an invoice. That can happen because of milestone billing, cash-flow delays, negotiated schedules or simple late payment.

EXAMPLE

Invoice total	Cash received	Still outstanding
₹50,000	**₹25,000**	**₹25,000**

Paid portion **50%**

Outstanding **50%**

SoloLedger: part-payments are not treated as fully paid. The unpaid balance remains visible until cash + TDS credit settles the invoice.

KEY TAKEAWAY

A part payment settles only part of the fee and GST; the remaining balance still needs follow-up.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Part-payment check

₹59,000 credited on a ₹1,18,000 invoice = 50% settled.

Raise invoice Fee + GST → **Record settlement** Cash + TDS → **Watch status** Paid / overdue

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

How SoloLedger Handles Part Payments

SoloLedger proportionally credits the fee and GST components when only part of an invoice has been settled.

Invoice

Base fee ₹1,00,000
GST ₹18,000
Total ₹1,18,000

50% credited

Cash + TDS credited toward invoice: ₹59,000
Credited percentage: 50%

Professional receipts credited	Est. GST collected	Outstanding
₹50,000	**₹9,000**	**₹59,000**

Planning estimate: the GST allocation on part-paid invoices is proportional for cash-planning simplicity. Your actual GST liability / timing can differ.

KEY TAKEAWAY

A part payment settles only part of the fee and GST; the remaining balance still needs follow-up.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

What 50% means

Fee credited ₹50,000 • estimated GST credited ₹9,000 • outstanding ₹59,000.

Raise invoice
Fee + GST

→

Record settlement
Cash + TDS

→

Watch status
Paid / overdue

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Understand the Payment Statuses

A clear status system makes follow-up easier because you can see what requires attention without calculating every row.

P **Paid**
Cash + TDS has settled the invoice.

P **Pending**
No credited payment yet and due date has not passed.

P **Part Paid**
Some amount is credited; balance remains and due date has not passed.

O **Overdue**
Balance remains after the due date.

O **Overdue (Part Paid)**
Some amount was credited, but a balance remains after the due date.

Status is not cash flow

A Paid invoice tells you the invoice is settled. It does not tell you whether the cash is safe to spend. GST, expenses and income tax still matter after payment.

Paid Invoice ≠ Safe to Spend

Raise invoice
Fee + GST

→

Record settlement
Cash + TDS

→

Watch status
Paid / overdue

REMEMBER

The goal is clarity: know what happened, what is owed, and what is safe to use.

IN SOLOLEDGER

Income & Invoices
Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Why 'Overdue (Part Paid)' Matters

Imagine a ₹1,00,000 invoice. The client pays ₹40,000 before the due date, but the remaining ₹60,000 is still unpaid two weeks later.

INV	40%	DUE	!
Invoice raised	**Part payment**	**Due date**	**Overdue**
₹1,00,000	₹40,000 received	₹60,000 remains	Needs follow-up

Why the label is useful: “Overdue” alone can hide the fact that the client already paid something. “Overdue (Part Paid)” gives you better context before you contact them.

Follow-up message

“Hi [Client], following up on Invoice [number]. Thank you for the part payment received. The remaining ₹60,000 was due on [date]. Could you please share the expected payment date?”

Raise invoice
Fee + GST

→

Record settlement
Cash + TDS

→

Watch status
Paid / overdue

REMEMBER

A client can be both “part paid” and “overdue”. That is why SoloLedger labels it Overdue (Part Paid).

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

A Simple Invoice Follow-Up Routine

-3	0	+3	+7
3 days before	**Due date**	**3 days overdue**	**1 week overdue**
Friendly heads-up if useful.	Short reminder with invoice details.	Ask for payment timeline.	Clear, firm follow-up.

Do

- [ ] Mention invoice number.
- [ ] Mention outstanding amount.
- [ ] Ask for a specific expected date.

Avoid

- [ ] Emotional or aggressive wording.
- [ ] Vague “any update?” messages.
- [ ] Forgetting to acknowledge part-payments.

Bonus included: SoloLedger already includes copy-paste Payment Follow-up Scripts.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

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Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Raise invoice Fee + GST → **Record settlement** Cash + TDS → **Watch status** Paid / overdue

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

Invoice Chapter Recap

Every time you raise an invoice

- [ ] Give it a unique invoice number.
- [ ] Enter invoice date and due date.
- [ ] Separate base fee and GST.
- [ ] Choose the correct client from the dropdown.

Every time money arrives

- [ ] Enter actual bank / cash received.
- [ ] Enter TDS separately.
- [ ] Add payment date.
- [ ] Review status and outstanding balance.

One-minute habit: updating the invoice row when the payment notification arrives is far easier than reconstructing it months later.

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Raise invoice	→	Record settlement	→	Watch status
Fee + GST		Cash + TDS		Paid / overdue

IN SOLOLEDGER

Income & Invoices

Enter the invoice once, then update Cash Received, TDS Credit and Payment Date as the client settles it.

TDS in Plain English

Tax Deducted at Source means the payer deducts tax from a payment and deposits it on your behalf, subject to the applicable rules.

You earn a fee	→	Client withholds tax	→	You receive cash	+	You have tax credit
Example: ₹1,00,000		Example: ₹10,000		Example: ₹90,000		Example: ₹10,000

Think of TDS as: tax already paid toward your account, not money that disappeared from your business without a trace.

But verify it: do not assume every short payment is TDS. Reconcile the deduction against the client's documentation and your tax records.

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Simple TDS example

₹1,00,000 fee • ₹10,000 TDS • ₹90,000 cash • ₹1,00,000 total settlement value.

Client withholds	→	You receive	→	You track
TDS		Bank cash		Tax credit

IN SOLOLEDGER

Income & Invoices

Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

TDS Is Not a Platform Fee or Expense

If you treat TDS like an expense

You may understate what the client actually settled and lose track of tax credit already available to you.

If you track TDS separately

You can see both the actual cash received and the tax already withheld on your behalf.

Item	Amount	How to think about it
Professional fee	₹1,00,000	Business receipt base
Bank cash	₹90,000	Cash you can see in the account
TDS	₹10,000	Tax credit to track and verify

> **Cash received answers “what hit my bank?” TDS answers “what tax was already withheld?”**

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Client withholds
TDS

→

You receive
Bank cash

→

You track
Tax credit

IN SOLOLEDGER

Income & Invoices

Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

Worked TDS Example

CONSULTING INVOICE WITHOUT GST - TEACHING EXAMPLE

₹2,00,000	₹20,000	₹1,80,000	₹20,000
professional fee	illustrative TDS	bank cash	tax credit

If you only enter ₹1,80,000 as “income,” you lose the context that the client settled another ₹20,000 through withholding. SoloLedger therefore stores both values.

₹1,80,000 cash + ₹20,000 TDS credit = ₹2,00,000 credited toward invoice

Do not copy the 10% assumption blindly: this is a simple arithmetic example, not a statement that every freelance payment uses the same TDS rate.

KEY TAKEAWAY

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Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Reconcile the payment

Cash received + TDS credit should explain how much of the professional fee has been settled.

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IN SOLOLEDGER

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Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

TDS and GST on the Same Invoice

When GST and TDS appear together, bank cash can look especially confusing because GST increases the invoice while TDS reduces the cash payment.

Fee	GST	Invoice	TDS	Bank cash
₹1,00,000	**₹18,000**	**₹1,18,000**	**₹10,000**	**₹1,08,000**

What is professional revenue?

The fee component: ₹1,00,000 in this example.

What is not normal spendable revenue?

GST collected and TDS credit both need separate treatment in your money plan.

SoloLedger: the Calculations tab proportionally separates credited professional receipts and estimated GST collected behind the scenes.

KEY TAKEAWAY

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Why SoloLedger Separates TDS From Cash

There are two very different questions:

₹ **How much cash arrived?**
Useful for cash flow and Safe to Spend.

T **How much tax was already withheld?**
Useful for your tax estimate and advance-tax planning.

If both are mixed into one “received” number, the dashboard can no longer answer either question cleanly.

What the workbook does

- [ ] Cash Received feeds cash flow.
- [ ] TDS Credit feeds the tax helper.
- [ ] Cash + TDS helps settle invoice status.
- [ ] TDS offsets additional reserve needs.

KEY TAKEAWAY

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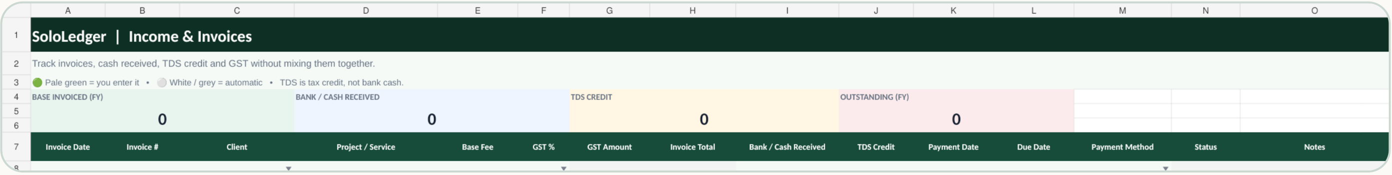
Where TDS Goes in the Workbook



Income & Invoices keeps Bank / Cash Received and TDS Credit in separate columns.

Bank / Cash Received

Enter actual money credited to you.

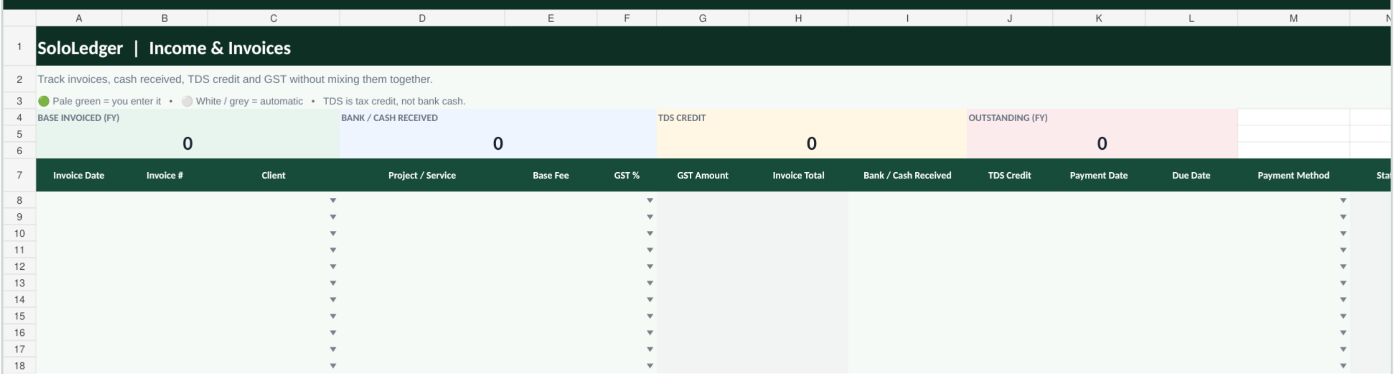
TDS Credit

Enter tax withheld and later verify it against official records.

Status

Uses cash + TDS credit to understand whether the invoice is fully settled.

REAL SOLOLEDGER WORKBOOK



Record cash and TDS in separate columns

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

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Income & Invoices

Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

Verify TDS - Do Not Guess

A good spreadsheet cannot replace the official tax record. Use SoloLedger to track what you expect, then reconcile it.

Keep evidence

- [ ] Client payment advice / remittance.
- [ ] TDS certificate where applicable.
- [ ] Invoice and payment date.
- [ ] Your AIS / Form 26AS / relevant tax records.

If numbers do not match

Do not “fix” the spreadsheet by inventing a TDS number. Ask the payer for clarification and reconcile the deduction before relying on it as a tax credit.

Best habit: review TDS credits monthly or quarterly, not for the first time at return filing.

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

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Client withholds	→	You receive	→	You track
TDS		Bank cash		Tax credit

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Income & Invoices

Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

A 2026 Terminology Reminder

Tax references are changing because the Income Tax Act, 2025 applies from Tax Year 2026-27. That means many older articles, templates and client emails may continue to mention old section numbers or the old Act for some time.

Do not rely on

A random blog post simply because it ranks high in search results or uses familiar legacy section numbers.

Do rely on

Current Income Tax Department guidance, official Budget / Finance Act material, your tax records, and professional advice for your facts.

SoloLedger approach: the guide explains concepts rather than forcing old section labels into every page. Where a legacy term like 44ADA is familiar, we show the current Section 58 context.

Official reference: Income Tax Department - Income Tax Act, 2025 objective & scope guidance.

Client withholds
TDS

→

You receive
Bank cash

→

You track
Tax credit

REMEMBER

The goal is clarity: know what happened, what is owed, and what is safe to use.

IN SOLOLEDGER

Income & Invoices

Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

TDS Quick Reference

1. **TDS is tax withheld**
It can reduce cash received without reducing what the client settled toward the invoice.

2. **Track cash separately**
Cash is what you can actually spend or move.

3. **Verify the credit**
Use official records rather than assumptions.

4. **Use it in tax planning**
TDS can reduce the additional amount you need to fund.

5. **Do not treat every short payment as TDS**
It could be a part-payment, fee deduction or error.

> **Separate cash from tax credit now, and year-end reconciliation becomes much easier.**

KEY TAKEAWAY

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Income & Invoices

Keep bank cash and TDS in separate columns so tax credit never gets mistaken for spendable cash.

Revenue Is Not Profit

Professional receipts tell you what you earned from clients. Profit asks what remains after business costs.

Professional Receipts - Net Business Costs = Estimated Profit

Receipts
₹5,00,000
Credited professional fee portion.

Business costs
₹1,20,000
Software, ads, professional fees, etc.

Estimated profit
₹3,80,000
Before considering other income or personal tax details.

Why SoloLedger tracks both: tax planning can look very different if you have ₹20L receipts with ₹2L of costs versus ₹20L receipts with ₹10L of costs.

KEY TAKEAWAY

Good records are more useful than trying to remember business expenses at year-end.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Profit check

₹2,00,000 professional receipts - ₹50,000 business costs = ₹1,50,000 estimated profit.

Spend — Business cost → **Keep proof** — Invoice / receipt → **Review** — Profit effect

IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

What Is a Business Expense?

A useful starting question is: **Was this cost incurred for the purpose of carrying on my freelance business or profession?**

Clear business context

Design software used for client work, hosting, accountant fees, business advertising, or equipment used for work.

Needs judgement

Mixed-use internet, home-office costs, meals, travel or items that have both personal and business use.

Important: SoloLedger lets you classify Business Cost? = Yes/No for planning, but the spreadsheet does not decide legal tax deductibility. Keep evidence and confirm uncertain items.

Good records capture both the amount and the business reason.

KEY TAKEAWAY

Good records are more useful than trying to remember business expenses at year-end.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

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Spend
Business cost

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Keep proof
Invoice / receipt

→

Review
Profit effect

IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Common Freelancer Expense Categories

Software & Tools
Subscriptions, hosting, SaaS

Internet & Phone
Business-use connectivity

Marketing
Ads, portfolio, promotions

Professional Services
CA, legal, consultants

Travel
Business travel / client meetings

Learning
Work-related skill development

Equipment
Laptop, monitor, accessories

Bank Charges
Payment and transfer fees

In SoloLedger: choose a category from the dropdown, record the cash amount paid, then decide whether you want to classify it as a business cost for planning.

KEY TAKEAWAY

Good records are more useful than trying to remember business expenses at year-end.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

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IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Worked Expense Example: Software

EXAMPLE SUBSCRIPTION

₹11,800	₹1,800	₹10,000	Yes
cash paid	GST input credit recorded	net business cost	business cost?

SoloLedger separates **cash outflow** from **net business cost**. That helps cash planning and profit planning answer different questions.

Cash Paid ₹11,800 - GST Input Credit ₹1,800 = Net Business Cost ₹10,000

Planning only: input-tax-credit eligibility depends on GST rules and facts. Do not enter a GST credit just because an invoice shows GST.

KEY TAKEAWAY

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Review
Profit effect

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Worked Expense Example: Marketing

Scenario

Arjun spends ₹20,000 promoting his portfolio and lead-generation offer. He records the payment date, vendor, description and amount.

₹20,000

Why context matters

“Meta - business lead ads for design services” is much more useful than writing only “ads.” When you review the year later, the business purpose is immediately clear.

Date	Category	Vendor	Description	Cash Paid
12 Jun 2026	Marketing	Meta	Lead ads - design services	₹20,000

Good record: date + category + vendor + clear description + amount + receipt / invoice where available.

KEY TAKEAWAY

Good records are more useful than trying to remember business expenses at year-end.

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Business cost

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Invoice / receipt

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Review
Profit effect

IN SOLOLEDGER

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Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Business or Personal?

The spreadsheet can store your classification. It cannot make the legal judgement for you.

Example	Planning view
Adobe subscription used for client design	Likely business context
Personal streaming subscription	Personal
Home internet used for work and personal use	Mixed - judgement needed
Flight to an in-person client project	Business context may exist
Weekend holiday with no business purpose	Personal
Course directly related to your professional work	Business context may exist

Mixed-use items need care: the business portion may not automatically equal the entire payment. Keep a reasonable record of how you arrived at your treatment.

Spend
Business cost

→

Keep proof
Invoice / receipt

→

Review
Profit effect

REMEMBER

The goal is clarity: know what happened, what is owed, and what is safe to use.

IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Why Documentation Matters

Months later, a bank statement tells you that ₹6,499 left your account. It usually does not tell you why the payment was made, what was purchased, or whether it related to business.

That is why supporting records matter. The objective is not to build a giant filing system. It is to retain enough context that future-you can understand the transaction.

Keep, where relevant

- [ ] Invoice or receipt
- [ ] Payment proof
- [ ] Vendor name
- [ ] Short business-purpose note
- [ ] GST details if relevant

SoloLedger Notes column: use it for the one sentence that will help you understand the payment six months later.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

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IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

GST Input Credit: Starter Concept

A GST-registered business may, subject to the rules, have GST paid on eligible business purchases available as input tax credit.

You collect GST	-	Eligible input credit recorded	→	Planning cash buffer
Example: ₹18,000		Example: ₹3,600		₹14,400

This is intentionally simplified: eligibility, matching, timing and restrictions can change the actual GST payable. SoloLedger's GST buffer is a planning estimate, not a return-filing calculation.

If you are not GST registered: set GST Registered? = No in Settings so the dashboard does not build a GST cash buffer.

KEY TAKEAWAY

GST collected is a separate obligation bucket, not ordinary freelance income.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Input-credit example

₹11,800 cash purchase may contain ₹1,800 GST. If eligible, cash outflow is ₹11,800 while net business cost may be ₹10,000 for planning.

Spend	→	Keep proof	→	Review
Business cost		Invoice / receipt		Profit effect

IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Record Expenses in SoloLedger

The Expenses tab is intentionally simple: record cash outflow first, then add the planning context.

SoloLedger | Expenses

Date	Category	Description	Cash Paid	Business Cost?
12 Jun 2026	Marketing	Lead ads	₹20,000	Yes
20 Jun 2026	Software	Design tools	₹11,800	Yes

Cash Amount Paid

What actually left the bank or wallet.

GST Input Credit

Only if you believe it is eligible and intend to track it.

Net Business Cost

Calculated for profit planning.

KEY TAKEAWAY

Good records are more useful than trying to remember business expenses at year-end.

Keep this idea in mind when you read the numbers in your workbook.

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IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Cash Expense vs Net Business Cost

Cash expense

₹11,800

Useful for cash flow. It tells you how much actually left the account.

Net business cost

₹10,000

In this teaching example, ₹1,800 of GST input credit was recorded separately.

₹11,800 Cash Paid - ₹1,800 Input Credit = ₹10,000 Net Business Cost

Why two figures? Safe to Spend cares about actual cash outflow. Estimated Profit cares about the business-cost view used by the workbook.

KEY TAKEAWAY

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Keep this idea in mind when you read the numbers in your workbook.

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Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Expense Chapter Recap

Weekly

- [ ] Scan bank, UPI and cards for business payments.
- [ ] Log vendor, category and amount.
- [ ] Add a clear description.
- [ ] Attach / retain evidence separately.

Monthly

- [ ] Review Business Cost? classifications.
- [ ] Review GST input credits entered.
- [ ] Compare cash expenses with professional receipts.
- [ ] Check Estimated Profit on Dashboard.

> **Clean expense records make the tax estimate more useful - and year-end conversations much easier.**

KEY TAKEAWAY

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Keep this idea in mind when you read the numbers in your workbook.

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IN SOLOLEDGER

Expenses

Record actual cash outflow first. Mark business cost and GST input credit separately only where relevant.

Turnover, Receipts and Taxable Income Are Different

Turnover / Gross receipts

A broad measure of business / professional activity used for various tax-rule thresholds.

Professional receipts

The credited fee portion SoloLedger tracks separately from GST for money planning.

Taxable income

The income figure that ultimately enters your personal income-tax computation after applicable rules.

This distinction is critical: “₹12 lakh rebate” does not mean every freelancer with ₹12 lakh of invoices or turnover automatically pays zero tax. The condition concerns taxable income and other eligibility requirements.

Business Activity ≠ Cash in Bank ≠ Taxable Income

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

REMEMBER

The goal is clarity: know what happened, what is owed, and what is safe to use.

IN SOLOLEDGER

Tax Estimate Helper
Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

How Tax Slabs Actually Work

A slab rate applies to the slice of income inside that band - not automatically to your entire taxable income.

₹0-4L	0%
₹4-8L	5%
₹8-12L	10%
₹12-16L	15%
₹16-20L	20%
₹20-24L	25%
Above ₹24L	30%

Example: if taxable income reaches ₹16L, only the slice from ₹12L to ₹16L is in the 15% band; lower slices use their own rates.

KEY TAKEAWAY

A slab rate applies only to the slice of income inside that band.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Slab mindset

If taxable income is ₹18L, the whole ₹18L is not taxed at 20%. Each slice uses its own rate.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Tax Year 2026-27 New-Regime Slabs

Normal-rate taxable income band	Rate
Up to ₹4,00,000	**Nil**
₹4,00,001 - ₹8,00,000	**5%**
₹8,00,001 - ₹12,00,000	**10%**
₹12,00,001 - ₹16,00,000	**15%**
₹16,00,001 - ₹20,00,000	**20%**
₹20,00,001 - ₹24,00,000	**25%**
Above ₹24,00,000	**30%**

Budget 2026: the Finance Bill memorandum states that the Tax Year 2026-27 slab rates remain at these levels.

Special-rate income is different: capital gains, VDA / crypto and other special-rate items may need separate treatment. SoloLedger's Auto Slabs deliberately excludes them.

Official reference: Finance Bill 2026 Memorandum; Income Tax Department business / profession tax-rate guidance.

KEY TAKEAWAY

A slab rate applies only to the slice of income inside that band.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

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Normal-rate taxable income

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IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

You Do Not Pay 20% on Everything

Suppose normal-rate taxable income is ₹18,00,000 before considering rebate / other special rules.

Slice	Rate	Tax on slice
First ₹4,00,000	0%	₹0
Next ₹4,00,000	5%	₹20,000
Next ₹4,00,000	10%	₹40,000
Next ₹4,00,000	15%	₹60,000
Remaining ₹2,00,000	20%	₹40,000
Slab tax		**₹1,60,000**

The 20% band touches only ₹2 lakh in this example. That is the basic idea of progressive slabs.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

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Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Worked Example: ₹8L Taxable Income

Band	Tax
₹0 - ₹4,00,000 at 0%	₹0
₹4,00,001 - ₹8,00,000 at 5%	₹20,000
Slab tax before rebate	**₹20,000**

Resident individual, normal-rate taxable income

If the current rebate conditions apply, the tax can be reduced by the available rebate.

Why the Tax Helper asks residency

The ₹12L / ₹60,000 rebate is a resident-individual rule. The workbook does not assume it for everyone.

Remember: this page is about taxable income, not invoice total or bank balance.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

₹8L example

Slab tax before any eligible rebate: 5% of ₹4L = ₹20,000.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

₹12L Taxable Income: Tax Before Rebate

Band	Tax
₹0 - ₹4L at 0%	₹0
₹4L - ₹8L at 5%	₹20,000
₹8L - ₹12L at 10%	₹40,000
Slab tax	**₹60,000**

This is why the current rebate cap is ₹60,000: for a resident individual meeting the normal-rate taxable-income condition, it can eliminate this ₹60,000 slab tax at ₹12L.

₹60,000 slab tax - ₹60,000 rebate = ₹0 tax after rebate

Official reference: Income Tax Department - rebate guidance for the new regime.

KEY TAKEAWAY

The ₹12L condition relates to eligible total / taxable income under the rule - not automatically to freelance turnover.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

₹12L example

Slab tax before rebate: ₹20,000 + ₹40,000 = ₹60,000.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

The ₹12L Rebate - Read This Carefully

For the new regime, the Income Tax Department shows a resident-individual rebate of up to ₹60,000 where taxable income does not exceed ₹12,00,000.

What the condition uses

Taxable Income

Not simply turnover, invoice total, bank deposits or gross client collections.

What can complicate it

Special-rate income and other facts can change the result. That is why SoloLedger's helper has a Manual mode.

> **SoloLedger Tax Estimate Helper:** the automatic rebate logic applies only when Resident Individual? = Yes and the selected income is treated as normal-rate income.

Official reference: Income Tax Department - Individual having Income from Business / Profession; rebate u/s 87A guidance.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

REMEMBER

The ₹12L condition relates to eligible total / taxable income under the rule - not automatically to freelance turnover.

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Why ₹12L Freelance Revenue Does Not Automatically Mean ₹0 Tax

Freelancer A

Professional receipts: ₹12L
Business costs: ₹4L
Illustrative regular-books income base: ₹8L

₹8L

Freelancer B

Professional receipts: ₹12L
Business costs: ₹50k
Other normal-rate income: ₹3L

₹14.5L

Both people can say “I made ₹12L freelancing,” but their taxable-income picture may be completely different.

Marketing language matters: never promise “₹12L freelancer income = zero tax.” The rebate condition is based on taxable income and eligibility.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

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Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Just Above ₹12L: Marginal Relief

Without relief, moving just above the rebate limit could create an abrupt tax jump. Marginal relief is intended to soften that cliff in the specified situation.

SOLOLEDGER STRESS-TEST EXAMPLE

Taxable income	Slab tax	Relief used by helper
₹12.50L	₹67,500	₹17,500

₹67,500 - ₹17,500 = ₹50,000 tax after relief; + 4% cess = ₹52,000

Keep it simple: the guide teaches the concept. If your return has unusual income or high-income surcharge issues, use Manual mode and professional advice.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Just above ₹12L

Marginal relief exists to reduce the abrupt jump that can otherwise occur immediately above the rebate limit.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Worked Example: ₹16L Taxable Income

Band	Tax
₹0 - ₹4L @ 0%	₹0
₹4L - ₹8L @ 5%	₹20,000
₹8L - ₹12L @ 10%	₹40,000
₹12L - ₹16L @ 15%	₹60,000
Slab tax	**₹1,20,000**
4% cess	₹4,800
Illustrative total	**₹1,24,800**

Tax Helper test: SoloLedger's 2026-27 engine returns ₹1,24,800 for this normal-rate scenario before TDS / other credits.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

₹16L example

Slab tax = ₹1,20,000; 4% cess = ₹4,800; illustrative total = ₹1,24,800.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Worked Example: ₹24L Taxable Income

Band	Tax
₹0 - ₹4L @ 0%	₹0
₹4L - ₹8L @ 5%	₹20,000
₹8L - ₹12L @ 10%	₹40,000
₹12L - ₹16L @ 15%	₹60,000
₹16L - ₹20L @ 20%	₹80,000
₹20L - ₹24L @ 25%	₹1,00,000
Slab tax	**₹3,00,000**
4% cess	₹12,000
Illustrative total	**₹3,12,000**

Key lesson: a dynamic tax-reserve percentage is more useful than telling every freelancer to save a flat 25%.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

₹24L example

Slab tax = ₹3,00,000; 4% cess = ₹12,000; illustrative total = ₹3,12,000.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Health & Education Cess: The Final 4% Layer

Income Tax Department guidance states that Health & Education Cess is 4% of income tax plus surcharge, where applicable.

Income tax	Cess @ 4%	Total
₹1,20,000	₹4,800	₹1,24,800

₹1,20,000 × 4% = ₹4,800

Higher-income cases: surcharge can apply above the relevant thresholds. SoloLedger's automatic helper is intentionally limited to taxable income up to ₹50L so it does not pretend to solve every surcharge scenario.

Official reference: Income Tax Department - tax rates, surcharge and cess guidance.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

When SoloLedger Should Not Auto-Estimate

Automation is useful only when the assumptions fit. The Tax Estimate Helper deliberately steps back when the situation becomes more specialised.

Use Manual mode if...

- [ ] You have capital gains or other special-rate income.
- [ ] You have VDA / crypto income.
- [ ] Your selected taxable income exceeds ₹50L.
- [ ] Your CA has given you a better annual estimate.

Auto mode is for

Simple normal-rate planning scenarios for Tax Year 2026-27, with resident-individual rebate logic where selected.

> **Good product design:** knowing when not to calculate is part of making the tool safer.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Find income base
Normal-rate taxable income

→

Apply slabs
Band by band

→

Then adjust
Rebate + cess

IN SOLOLEDGER

Tax Estimate Helper

Use normal-rate taxable income - not invoice total or bank balance - when reading the slab estimate.

Meet the Tax Estimate Helper

This tab turns your tracked business numbers into a planning estimate and suggests a smarter set-aside percentage.

REAL SOLOLEDGER WORKBOOK

	A	B	C	D	E	F	G	H	I	J
1	SoloLedger | Tax Estimate Helper									
2	2026–27 new-regime planning engine for normal-rate income. Designed for estimation, not filing.									
3	Use Auto Slabs for a planning estimate. Switch to Manual if you have special-rate income, taxable income above ₹50L, or want to use your CA's estimate.									
4										
5	YOUR ESTIMATE SETTINGS			LIVE BUSINESS INPUTS			SELECTED ESTIMATE BASIS			
6	Tax Year Supported	2026–27		YTD Professional Receipts	0		Selected Business Income	0		
7	Estimate Mode	Auto Slabs		YTD Net Business Cost	0		Projected Freelance Receipts / Rate Base	0		
8	Resident Individual?	Yes		YTD Estimated Profit	0		Manual Tax Estimate	0		
9	Projection Mode	Annualise YTD		Months Elapsed in FY	6		Other Eligible Tax Credits	0		
10	Business Income Method	Regular Books		Annualised Professional Receipts	0		Auto Engine Status	Auto engine available		
11	Other Normal-Rate Income	0		Annualised Net Business Cost	0					
12	Custom Annual Business Income	0		Regular Business Income Base	0		Annualising YTD values across 12 months			
13	Special-Rate Income Present?	No		Presumptive 50% Income Base	0					
14										
15										
16	2026–27 NEW-REGIME TAX ESTIMATE									
17	EST. NORMAL-RATE TAXABLE INCOME		SLAB TAX		REBATE / MARGINAL RELIEF		TAX AFTER RELIEF		HEALTH & EDUCATION CESS	

Tax Estimate Helper - projection, slabs, rebate and suggested reserve %

	A	B	C	D	E	F	G	H	I	J
1	SoloLedger | Tax Estimate Helper									
2	2026–27 new-regime planning engine for normal-rate income. Designed for estimation, not filing.									
3	Use Auto Slabs for a planning estimate. Switch to Manual if you have special-rate income, taxable income above ₹50L, or want to use your CA's estimate.									
4										
5	YOUR ESTIMATE SETTINGS			LIVE BUSINESS INPUTS			SELECTED ESTIMATE BASIS			
6	Tax Year Supported	2026–27		YTD Professional Receipts	0		Selected Business Income	0		
7	Estimate Mode	Auto Slabs		YTD Net Business Cost	0		Projected Freelance Receipts / Rate Base	0		
8	Resident Individual?	Yes		YTD Estimated Profit	0		Manual Tax Estimate	0		
9	Projection Mode	Annualise YTD		Months Elapsed in FY	6		Other Eligible Tax Credits	0		
10	Business Income Method	Regular Books		Annualised Professional Receipts	0		Auto Engine Status	Auto engine available		
11	Other Normal-Rate Income	0		Annualised Net Business Cost	0					
12	Custom Annual Business Income	0		Regular Business Income Base	0		Annualising YTD values across 12 months			
13	Special-Rate Income Present?	No		Presumptive 50% Income Base	0					
14										
15										
16	2026–27 NEW-REGIME TAX ESTIMATE									
17	EST. NORMAL-RATE TAXABLE INCOME		SLAB TAX		REBATE / MARGINAL RELIEF		TAX AFTER RELIEF		HEALTH & EDUCATION CESS	
18–19	0		0		0		0		0	
20										
21	EST. TOTAL TAX BEFORE CREDITS		TDS CREDIT		OTHER TAX CREDITS		NET TAX STILL TO FUND		SUGGESTED SET-ASIDE %	
22–23	0		0		0		0		0.0%	
24										
25	Estimated tax is ₹0 after resident-individual rebate on NORMAL-RATE TAXABLE INCOME (not gross receipts).									
26										
27	SLAB BREAKDOWN					REGULAR vs PRESUMPTIVE — PLANNING VIEW				
28	Income Band	Rate	Income in Band	Tax in Band		Scenario	Business Income Base	Planning Note		
29	₹0 – ₹4,00,000	0%	0	0		Regular Books	0	Projected receipts minus projected net business cost		
30	₹4,00,001 – ₹8,00,000	5%	0	0		Presumptive 50%	0	50% of projected professional receipts		
31	₹8,00,001 – ₹12,00,000	10%	0	0		Difference	0	Presumptive minus regular income base		
32	₹12,00,001 – ₹16,00,000	15%	0	0		Lower Income Base	Same income base	Not a tax recommendation — eligibility matters		
33	₹16,00,001 – ₹20,00,000	20%	0	0		Presumptive Limit Check	Within receipt-limit scenario	Uses the existing Presumptive Planner		
34	₹20,00,001 – ₹24,00,000	25%	0	0						
35	Above ₹24,00,000	30%	0	0						
36										
37										
38	IMPORTANT LIMITS & OFFICIAL SOURCES									
39	Auto Slabs is intentionally limited to Tax Year 2026–27, normal-rate income, and taxable income up to ₹50 lakh. It excludes capital gains, crypto / VDA, lottery / other special-rate income, AMT and surcharge / surcharge marginal relief. The ₹12L rebate / marginal-relief logic is applied only when Resident Individual? =									

Actual SoloLedger Tax Estimate Helper - Tax Year 2026-27 edition.

What it does: chooses an income basis, applies normal-rate slabs, models rebate / marginal relief where supported, adds cess, then subtracts TDS and other credits for planning.

KEY TAKEAWAY

Your reserve percentage should respond to your estimated tax position instead of staying fixed forever.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Annualise YTD vs Tracked YTD vs Custom Annual

Annualise YTD

Projects the money tracked so far across 12 months. Useful when income is reasonably representative.

Tracked YTD

Uses only the business income captured so far. Useful for a conservative “where am I today?” view.

Custom Annual

Lets you type your own annual business-income assumption. Useful when income is seasonal or you know future contracts.

Annualising is not forecasting magic: if you earned ₹8L in one unusually strong quarter, multiplying that pace through the year can overstate future income. Use the mode that fits your business pattern.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Track YTD
Receipts + costs

→

Project year
Annualise / custom

→

Suggest %
Reserve rate

IN SOLOLEDGER

Tax Estimate Helper

Refresh the projection when income or expenses change; the suggested reserve percentage can move during the year.

Regular Books Mode

In the helper's simplified planning view, Regular Books uses projected professional receipts minus projected net business costs.

Projected Professional Receipts - Projected Net Business Costs = Business Income Base

PROJECTED RECEIPTS	PROJECTED COSTS	INCOME BASE
₹18,00,000	₹4,00,000	₹14,00,000

Useful when: you are tracking actual business costs and want the helper to use that regular-books style income base for planning.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Track YTD
Receipts + costs

→

Project year
Annualise / custom

→

Suggest %
Reserve rate

IN SOLOLEDGER

Tax Estimate Helper

Refresh the projection when income or expenses change; the suggested reserve percentage can move during the year.

Presumptive 50% Mode

For eligible specified professionals using the professional presumptive scheme, the familiar planning concept is that 50% of gross receipts is the presumptive income base, or a higher amount if declared.

PROFESSIONAL RECEIPTS
₹20,00,000

50% PLANNING INCOME BASE
₹10,00,000

₹20,00,000 × 50% = ₹10,00,000

Do not choose this just because it gives a lower number. Eligibility, profession type, receipt limits and other statutory conditions matter. See the Presumptive Planner and get advice where needed.

Official reference: Income Tax Department - legacy 44ADA guidance; Income Tax Act, 2025 consolidates presumptive schemes into Section 58.

Track YTD
Receipts + costs

→

Project year
Annualise / custom

→

Suggest %
Reserve rate

REMEMBER
A lower comparison number is not the same thing as being eligible or choosing the right method.

IN SOLOLEDGER

Tax Estimate Helper
Refresh the projection when income or expenses change; the suggested reserve percentage can move during the year.

How the Suggested Set-Aside % Works

Instead of a universal 25%, SoloLedger turns the current annual tax estimate into a percentage of projected freelance receipts.

Estimated Tax Before Credits ÷ Projected Freelance Receipts = Suggested Set-Aside %

PROJECTED RECEIPTS	ESTIMATED TAX	ILLUSTRATIVE RATE
₹24L	₹3.12L	13.0%

Monthly TDS credit is then used as an offset when the Tax Reserve tab calculates the additional cash you still need to set aside.

Result: the percentage can be 0% at lower taxable-income levels and rise as the projected income tax rises.

KEY TAKEAWAY

Your reserve percentage should respond to your estimated tax position instead of staying fixed forever.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Dynamic reserve example

If projected freelance receipts are ₹18L and estimated tax to fund is ₹1.44L, the planning rate is about 8%, not a default 25%.

Track YTD — Receipts + costs → **Project year** — Annualise / custom → **Suggest %** — Reserve rate

IN SOLOLEDGER

Tax Estimate Helper

Refresh the projection when income or expenses change; the suggested reserve percentage can move during the year.

Why Your Set-Aside % Changes as You Earn

Income tax is progressive. A freelancer who currently projects ₹8L of taxable income should not necessarily use the same reserve percentage as a freelancer projecting ₹24L.

Better question

“Based on my current tracked numbers, what percentage should I plan for now?”

Review it regularly

As income, expenses or other normal-rate income changes, the suggested percentage can change too.

KEY TAKEAWAY

Your reserve percentage should respond to your estimated tax position instead of staying fixed forever.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Track YTD
Receipts + costs

→

Project year
Annualise / custom

→

Suggest %
Reserve rate

IN SOLOLEDGER

Tax Estimate Helper

Refresh the projection when income or expenses change; the suggested reserve percentage can move during the year.

Auto vs Manual Mode

Auto Slabs

- [ ] Tax Year 2026-27
- [ ] Normal-rate income only
- [ ] Up to ₹50L taxable income
- [ ] Resident rebate logic when selected

Manual

- [ ] CA has given an annual estimate
- [ ] Special-rate income exists
- [ ] Higher-income surcharge complexity
- [ ] You prefer your own planning assumption

Professional behaviour: a manual override is not a weakness. It is what keeps the workbook useful when a taxpayer's facts exceed a simple consumer spreadsheet model.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Track YTD
Receipts + costs

→

Project year
Annualise / custom

→

Suggest %
Reserve rate

IN SOLOLEDGER

Tax Estimate Helper

Refresh the projection when income or expenses change; the suggested reserve percentage can move during the year.

Why Freelancers Need a Tax Reserve

Employees often have tax withheld through payroll. Freelancers can receive much more of their cash before the final tax bill is settled.

REAL SOLOLEDGER WORKBOOK

SoloLedger | Tax Reserve

Know how much to keep aside so tax season doesn't feel stressful.

This is the heart of SoloLedger: review this sheet regularly and enter only what you actually set aside.

RECEIVED INCOME	RECOMMENDED RESERVE	SET ASIDE	RESERVE GAP
664200	160225.75	91000	

MONTHLY RESERVE TRACKER

Month	Received Income	Deductible Expenses	Reserve Basis	Reserve %	Recommended	Actually Set Aside	Gap	Status
Apr 2026	100300	9798	90502	25%	22625.5	20000	2625.5	Short

Tax Reserve - see the amount still to set aside

No reserve habit

Client pays → money looks available → money gets spent → tax deadline arrives → stressful cash scramble.

Reserve habit

Client pays → estimate updates → move reserve cash aside → spend from the remainder.

Payment arrives → **Update SoloLedger** → **Move reserve** → **Spend the remainder**

Tax reserve is a cash-management habit, not a prediction of your final filed return.

KEY TAKEAWAY

Your reserve percentage should respond to your estimated tax position instead of staying fixed forever.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Cash in — Bank received → **Set aside** — GST + tax → **Use remainder** — Safe to Spend

Tax Reserve + Dashboard

IN SOLOLEDGER

Why a Flat 25% Is Not Right for Everyone

Scenario A

A resident individual with lower normal-rate taxable income may have little or no final tax after the applicable rebate.

25% can be too high

Scenario B

A higher-income freelancer may need a materially larger reserve than a low-income freelancer.

25% can be too low or too high

That is why SoloLedger now uses the Tax Estimate Helper as the default reserve method. A manual percentage still exists for users who want a simple fixed buffer or have an external estimate.

Marketing promise made safer: SoloLedger suggests a planning percentage from your current estimate instead of claiming one universal percentage is correct for everybody.

Cash in
Bank received

→

Set aside
GST + tax

→

Use remainder
Safe to Spend

REMEMBER

The goal is clarity: know what happened, what is owed, and what is safe to use.

IN SOLOLEDGER

Tax Reserve + Dashboard

Move the recommended reserve into a separate cash bucket, then use Safe to Spend for decisions.

Your Dynamic Reserve Percentage

Projected Tax ÷ Projected Freelance Receipts = Suggested %

If estimate = ₹0

0.0%

No additional income-tax reserve is suggested by the helper for that selected scenario.

If estimate = ₹1.56L on ₹18L receipts

8.7%

Illustrative only; actual percentage depends on selected inputs.

Reserve is not final liability: other income, deductions, losses, credits and return-level adjustments can change the filed tax result.

KEY TAKEAWAY

Your reserve percentage should respond to your estimated tax position instead of staying fixed forever.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Cash in Bank received → **Set aside** GST + tax → **Use remainder** Safe to Spend

IN SOLOLEDGER

Tax Reserve + Dashboard

Move the recommended reserve into a separate cash bucket, then use Safe to Spend for decisions.

TDS Reduces What You Still Need to Fund

GROSS TAX RESERVE FOR MONTH
₹25,000

TDS CREDIT FOR MONTH
₹10,000

ADDITIONAL RESERVE
₹15,000

₹25,000 Gross Reserve - ₹10,000 TDS Offset = ₹15,000 Additional Reserve

This is one of the most useful reasons to record TDS correctly. If the tax was already withheld, asking yourself to reserve the full amount again can overstate your cash buffer.

Tax Reserve tab: shows Raw / Gross Reserve, TDS Offset, Additional Reserve, Actually Set Aside and Gap.

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

TDS offset example

Raw reserve ₹30,000 - TDS credit ₹12,000 = ₹18,000 additional cash still to set aside.

Cash in
Bank received

→

Set aside
GST + tax

→

Use remainder
Safe to Spend

IN SOLOLEDGER

Tax Reserve + Dashboard

Move the recommended reserve into a separate cash bucket, then use Safe to Spend for decisions.

GST Needs Its Own Cash Buffer

GST buffer

Money reserved for estimated GST collected, reduced by GST input credit recorded in SoloLedger.

Separate jar

Income-tax reserve

Money reserved for estimated personal income tax after TDS / other credits.

Separate jar

Do not combine mentally: GST and income tax are different obligations. A business can have one buffer even when the other is small.

Safe to Spend subtracts both buffers

KEY TAKEAWAY

GST collected is a separate obligation bucket, not ordinary freelance income.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Cash in — Bank received → **Set aside** — GST + tax → **Use remainder** — Safe to Spend

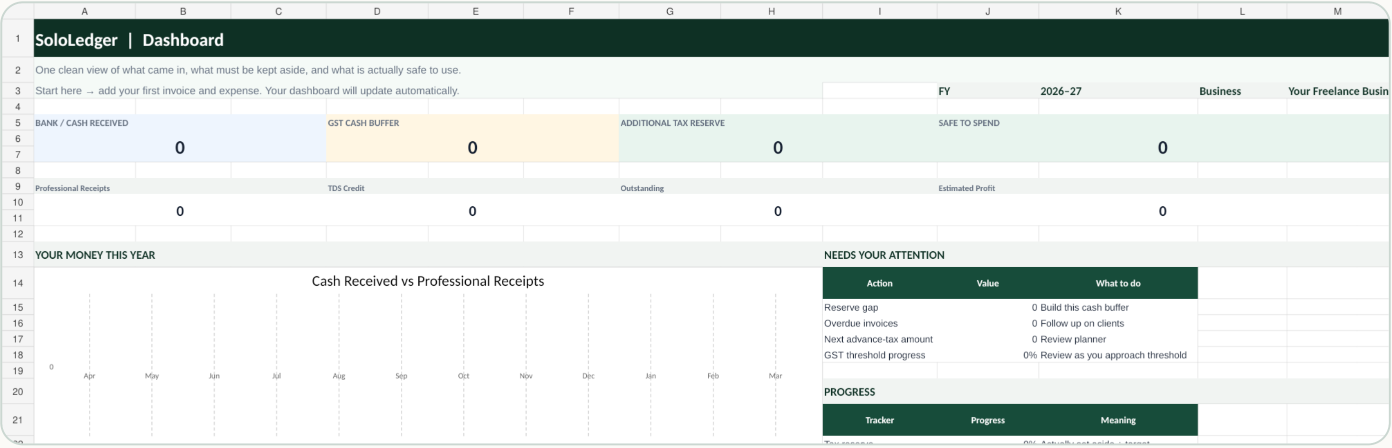
IN SOLOLEDGER

Tax Reserve + Dashboard

Move the recommended reserve into a separate cash bucket, then use Safe to Spend for decisions.

Safe to Spend: The Number to Watch

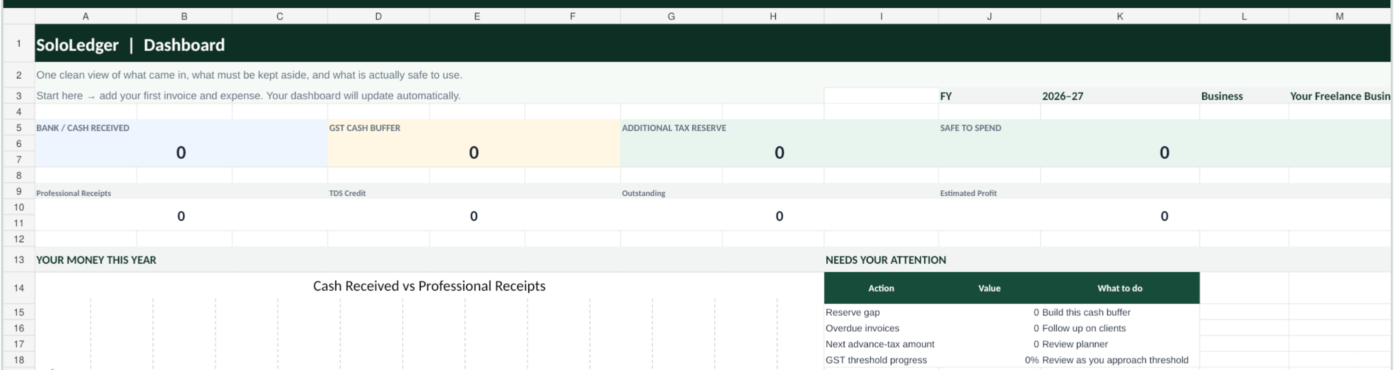
Bank / Cash Received - Cash Expenses - GST Buffer - Additional Tax Reserve = Safe to Spend



Actual SoloLedger Dashboard. Safe to Spend is designed to be the headline decision number.

Use it for decisions: whether you can transfer money to yourself, buy equipment, increase ad spend, or simply leave more cash in the business.

REAL SOLOLEDGER WORKBOOK



Safe to Spend appears on the Dashboard after buffers are separated

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Safe-to-spend example

₹2,50,000 cash - ₹45,000 expenses - ₹18,000 GST buffer - ₹32,000 tax reserve = ₹1,55,000 safe to spend.

Cash in
Bank received

→

Set aside
GST + tax

→

Use remainder
Safe to Spend

Arjun's Monthly Safe-to-Spend Example

₹2,50,000	₹45,000	₹22,000	₹28,000
bank cash received	cash expenses	GST buffer	additional tax reserve

₹2,50,000 - ₹45,000 - ₹22,000 - ₹28,000 = ₹1,55,000 Safe to Spend

What Arjun does

He moves the GST and tax reserve into separate savings buckets, leaves enough cash for planned business costs, then decides how much of the ₹1.55L is available for personal draw or reinvestment.

What Arjun does not do

He does not see ₹2.5L hit the bank and immediately treat the full amount as personal income.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Cash in Bank received → **Set aside** GST + tax → **Use remainder** Safe to Spend

IN SOLOLEDGER

Tax Reserve + Dashboard

Move the recommended reserve into a separate cash bucket, then use Safe to Spend for decisions.

What Is Advance Tax?

Advance tax is income tax paid during the tax year rather than waiting until the end, when the estimated annual tax liability crosses the applicable threshold.

> **Income Tax Department guidance:** where estimated tax amounts to more than ₹10,000 for the year, advance tax generally needs to be paid in instalments.

Estimate annual tax - **TDS / credits** → **Net advance-tax plan** → **Pay by milestones**

> **SoloLedger is a reminder and planning tool.** It does not submit the payment or calculate every interest / exception scenario.

Official reference: Income Tax Department - Advance Tax FAQ.

KEY TAKEAWAY

Plan from net tax after credits, not from a headline tax number before TDS.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Estimate tax
Less credits

→

Check milestone
Jun / Sep / Dec / Mar

→

Record payment
Update status

IN SOLOLEDGER

Advance Tax

Record actual advance-tax payments and review the next due amount before each milestone.

The ₹10,000 Trigger

Net estimated liability

₹8,500

SoloLedger's planner shows zero advance-tax plan under its simplified threshold logic.

Net estimated liability

₹1,10,000

The advance-tax schedule becomes relevant.

The useful number is not simply “estimated tax before credits.” SoloLedger subtracts tracked TDS credit and other eligible credits you enter before building the planning schedule.

Estimated Tax - TDS - Other Credits = Net Advance-Tax Plan

Official reference: Income Tax Department advance-tax guidance: estimated annual tax over ₹10,000.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Advance-tax trigger

If estimated net advance-tax liability after credits is below ₹10,000, SoloLedger shows no advance-tax plan in its simplified helper.

Estimate tax
Less credits

→

Check milestone
Jun / Sep / Dec / Mar

→

Record payment
Update status

IN SOLOLEDGER

Advance Tax

Record actual advance-tax payments and review the next due amount before each milestone.

The Four Regular Milestones

15%	45%	75%	100%
15 June	**15 September**	**15 December**	**15 March**
Cumulative target	Cumulative target	Cumulative target	Cumulative target

Example: net annual plan = ₹1,00,000

Date	Cumulative target	Target amount
15 June	15%	₹15,000
15 September	45%	₹45,000
15 December	75%	₹75,000
15 March	100%	₹1,00,000

Official reference: Income Tax Department - regular advance-tax instalment schedule.

KEY TAKEAWAY

The goal is clarity: know what happened, what is owed, and what is safe to use.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Regular milestones

15% by 15 Jun • 45% by 15 Sep • 75% by 15 Dec • 100% by 15 Mar.

Estimate tax
Less credits

→

Check milestone
Jun / Sep / Dec / Mar

→

Record payment
Update status

IN SOLOLEDGER

Advance Tax

Record actual advance-tax payments and review the next due amount before each milestone.

Advance Tax After TDS: Worked Example

ESTIMATED ANNUAL INCOME TAX
₹1,50,000

TDS CREDIT
₹10,000

NET PLAN
₹1,40,000

Milestone	%	Cumulative target
15 June	15%	₹21,000
15 September	45%	₹63,000
15 December	75%	₹1,05,000
15 March	100%	₹1,40,000

This is exactly why the workbook tracks TDS separately: it can reduce the net amount you still need to plan for.

KEY TAKEAWAY

TDS can reduce the cash you receive without reducing the amount the client has settled.

Keep this idea in mind when you read the numbers in your workbook.

WORKED CHECK

Worked schedule

Net annual plan ₹1,40,000 → cumulative targets ₹21,000 / ₹63,000 / ₹1,05,000 / ₹1,40,000.

Estimate tax
Less credits

→

Check milestone
Jun / Sep / Dec / Mar

→

Record payment
Update status

IN SOLOLEDGER

Advance Tax

Record actual advance-tax payments and review the next due amount before each milestone.

Presumptive Timing: One March Target

Income Tax Department guidance for the familiar presumptive schemes states that eligible presumptive taxpayers can have the full advance-tax liability due by 15 March instead of the regular four-step pattern.

JUN	SEP	DEC	100%
No regular target	No regular target	No regular target	15 March Planning target

Eligibility first: do not switch the workbook to Presumptive just to move all payments to March. The tax method itself must be applicable to you.

Official reference: Income Tax Department - advance-tax FAQ / presumptive scheme guidance.

KEY TAKEAWAY

A lower comparison number is not the same thing as being eligible or choosing the right method.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Estimate tax
Less credits

→

Check milestone
Jun / Sep / Dec / Mar

→

Record payment
Update status

IN SOLOLEDGER

Advance Tax

Record actual advance-tax payments and review the next due amount before each milestone.

Using the Advance Tax Planner

SoloLedger | Advance Tax Planner

Item	Amount
Estimated tax before credits	₹1,50,000
TDS credit	₹10,000
Other tax credits	₹0
Net advance-tax plan	**₹1,40,000**

You choose

Regular or Presumptive planning mode, and enter actual payments made.

SoloLedger shows

Due dates, cumulative target %, cumulative amount, current amount due and status.

Dashboard: the “Next advance-tax amount” action uses a compatibility-friendly formula to surface the next positive amount due.

KEY TAKEAWAY

Plan from net tax after credits, not from a headline tax number before TDS.

Keep this idea in mind when you read the numbers in your workbook.

QUICK CHECK

Can you explain this page in one sentence?

If yes, move on. If not, follow the three boxes below, then reread the example.

Estimate tax
Less credits

→

Check milestone
Jun / Sep / Dec / Mar

→

Record payment
Update status

IN SOLOLEDGER

Advance Tax

Record actual advance-tax payments and review the next due amount before each milestone.

Professional Presumptive Taxation: Section 58

From Tax Year 2026-27, the Income Tax Act, 2025 consolidates the old presumptive schemes - including the familiar professional 44ADA scheme - into Section 58.

Familiar professional concept

Specified professionals may use the professional presumptive scheme subject to the statutory conditions.

50%

Familiar presumptive income basis in the legacy 44ADA framework.

Receipt-limit concept

Legacy department guidance states ₹50L standard gross-receipt limit, rising to ₹75L where the specified cash-receipt condition is met.

Not all freelancers qualify. Profession type, residency / taxpayer type, receipt limits and other conditions matter. A graphic designer calling themselves a “consultant,” for example, should not self-certify eligibility from a spreadsheet label.

Official reference: Income Tax Department - Objective & Scope of New Act; legacy ITR-4 / 44ADA guidance.

Check eligibility
Profession + receipts

→

Compare bases
Books vs 50%

→

Confirm
Use professional advice

REMEMBER

A lower comparison number is not the same thing as being eligible or choosing the right method.

IN SOLOLEDGER

Presumptive Planner

Treat the comparison as a scenario, not an eligibility verdict or tax recommendation.

Regular Books vs 50% Scenario

The Presumptive Planner compares income bases. It does not tell you which tax method you should choose.

Regular-books scenario

Professional receipts: ₹20L
Net business costs: ₹6L

Income base ₹14L

50% presumptive scenario

Professional receipts: ₹20L
50% planning basis

Income base ₹10L

Lower number ≠ automatic recommendation. The scheme has eligibility requirements and other consequences. Use the comparison to understand the size of the difference, then verify the appropriate treatment.

In Tax Estimate Helper: you can switch Business Income Method between Regular Books and Presumptive 50% for a planning estimate once you understand which scenario you are testing.

Check eligibility
Profession + receipts

→

Compare bases
Books vs 50%

→

Confirm
Use professional advice

REMEMBER

₹20L receipts - ₹6L net business costs = ₹14L regular-books base; 50% presumptive scenario = ₹10L.

IN SOLOLEDGER

Presumptive Planner

Treat the comparison as a scenario, not an eligibility verdict or tax recommendation.

GST Starter Page + Your Monthly Routine

GST basics for this guide

CBIC public guidance describes a general ₹20 lakh aggregate-turnover registration threshold, with a ₹10 lakh threshold in specified special-category contexts and exceptions. Registration can also arise under other rules, so SoloLedger keeps the threshold editable.

Use the GST Tracker as an early-warning meter, not a registration verdict.

Base Turnover → Threshold Progress → Review if Approaching Limit

Your monthly money routine

- [ ] Reconcile invoices and payments.
- [ ] Verify TDS entries.
- [ ] Log all business expenses.
- [ ] Review Tax Estimate Helper.
- [ ] Move tax / GST reserves.
- [ ] Check advance-tax and GST alerts.

Official reference: CBIC GST FAQs - registration threshold and exceptions.

Track turnover
Base invoices

→

Reserve GST
Estimated buffer

→

Review threshold
Before it becomes urgent

REMEMBER

A ₹20L planning threshold is only a default reference. Exceptions can apply, so the workbook keeps it editable.

IN SOLOLEDGER

GST Tracker
Watch turnover and the estimated GST cash buffer separately from income tax.

Your SoloLedger Money System

Track what happened. Separate what is not yours. Estimate what comes next. Spend from what remains.

1. Invoice Record the work. → **2. Receive** Separate cash, TDS and GST. → **3. Spend** Log business costs. → **4. Estimate** Review tax and advance tax. → **5. Reserve** Move buffers aside.

Official references used

Income Tax Department - General Questions / New Act:
https://www.incometax.gov.in/iec/foportal/help/all-topics/e-filing-services/General%20Questions-faqs

Income Tax Department - Business / Profession rates:
https://www.incometax.gov.in/iec/foportal/help/individual-business-profession

Finance Bill 2026 Memorandum:
https://www.indiabudget.gov.in/doc/memo.pdf

CBIC GST FAQs:
https://cbic-gst.gov.in/faq.html

Important disclaimer

This guide and SoloLedger are educational, record-keeping and planning tools. They do not file returns, decide legal eligibility, calculate every special-rate / surcharge scenario, or replace advice from a Chartered Accountant or other qualified professional. Tax and GST rules can change. Verify current law before acting.

Next step

Open **Start Here** in the SoloLedger workbook and complete the six-step setup. Then review your Dashboard once a week.

Product principle: SoloLedger is designed to make the routine clearer - not to make complex tax law look deceptively simple.

Record Invoices + expenses → **Reserve** GST + income tax → **Spend** Use Safe to Spend

WEEKLY HABIT

Update the workbook before you make large spending decisions.

Five minutes of clean records is more useful than reconstructing months of transactions later.

WHEN TO GET HELP

Use a CA for facts the workbook cannot know.

Special-rate income, complex GST, cross-border work, surcharge, audits or uncertain eligibility deserve professional review.